



U.S. Economic Engagement with Burma

U.S. Embassy in Rangoon
Department of State
June 2014

The United States supports Burma's ongoing reform efforts, and believes that the participation of U.S. businesses in Burma's economy can be a model for responsible investment and business operations that encourage further change, promote inclusive economic development, and contribute to the welfare of the Burmese people. Increasing U.S. trade and investment in Burma will bring substantial benefits to both countries.

Starting in 2012, the United States eased many of its economic sanctions on Burma, with the exception of restrictions on dealings with persons on the Specially Designated Nationals list, restrictions on the importation of Burmese-origin jadeite and rubies, and limits on dealings with the Burmese Ministry of Defense and state or non-state armed groups. This easing opened the door for U.S. businesses to trade and invest in Burma.

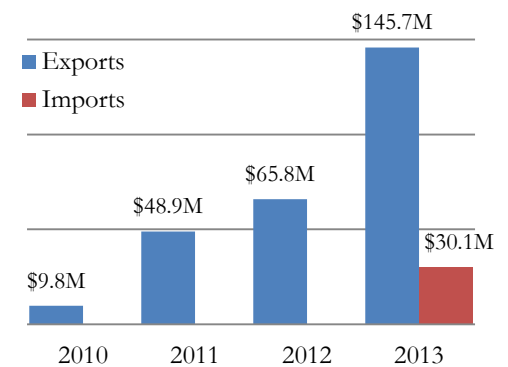
The U.S. government is working to facilitate U.S. business investment in Burma, improve the investment climate, encourage responsible investment, and increase bilateral trade. American companies are investing in Burma, creating jobs, building human capital, and bringing with them the highest standards of corporate social responsibility.

Foreign Direct Investment

\$243.6M the total approved amount of foreign investment in Burma by U.S. companies

Source: Ministry of National Planning and Economic Development, April 30, 2014

Growth in U.S.-Burma Trade



Source of Data: U.S. Census Bureau, Department of Commerce

Key Developments in U.S. Policy

In recognition of political and economic reforms in Burma, the United States has taken concrete steps over the past three years to recognize and encourage continued progress and to help accelerate broad-based economic growth.

2012

- **July:** The U.S. Department of Treasury issued General Licenses No. 16 and No. 17, which eased the ban on the exportation of U.S. financial services to Burma and permitted the first new U.S. investment in Burma in nearly 15 years.
- **September & October:** The U.S. began to support international financial institutions (e.g., World Bank, ADB, IMF) financing, technical assistance and debt forgiveness for Burma for the first time in years.
- **November:** The U.S. government issued a waiver and general license to ease the ban on the importation of products of Burma into the United States, with the exception of jadeite and rubies mined or extracted from Burma, that had been in place for almost a decade.

2013

- **February:** The U.S. Department of Treasury issued General License No. 19, which authorized U.S. persons to conduct most transactions – including opening and maintaining financial accounts and conducting a range of other financial services – with four of Burma's major financial institutions.
- **May:** The United States and Burma signed a Trade and Investment Framework Agreement (TIFA), creating a platform for ongoing dialogue and cooperation on trade and investment issues; and the Overseas Private Investment Corporation (OPIC) signed an Investment Incentive Agreement with Burma, as a first step forward in OPIC's ability to support U.S. businesses interested in investing in Burma.
- **July:** The general import ban under the United States' Burmese Freedom and Democracy Act expired, allowing the import of most Burmese goods.

2014

- **February:** The U.S. Export-Import Bank (EXIM) began offering short- and medium-term sovereign loans and loan guarantees for U.S. exports to Burma.
- **June:** The U.S. Department of Commerce opened the first-ever Foreign Commercial Service office in Rangoon to help American companies doing business in Burma.
- **Ongoing:** The U.S. Trade Representative (USTR) is reviewing Burma's eligibility for participation in the Generalized System of Preferences program.

Responsible Investment

The United States supports the Burmese government's ongoing reform efforts, and believes that the participation of U.S. businesses in the Burmese economy will provide a model for responsible investment and business operations, as well as encourage further reform, promote economic development, and contribute to the welfare of the Burmese people. The Department of State encourages U.S. businesses to invest responsibly and to address potential impact on local communities, labor rights, land rights, the environment, etc., resulting from their investments and operations in Burma. Certain U.S. businesses are required to provide reporting on their investments in Burma (For more information on the reporting requirements, visit www.HumanRights.gov/BurmaResponsibleInvestment.)

U.S. Corporations in Burma

Dozens of U.S. companies are exploring business opportunities in Burma. The following leading U.S. companies are among those that have established operations in Burma:

APR Energy · Ball Corp. · Caterpillar · Chevrolet · Chevron · Cisco
Coca-Cola · Dell · DuPont · Ford · Gap · GE · HP · Intel ·
MasterCard · MetLife · PepsiCo · P&G · Visa · Western Union

Recent corporate activities and business highlights include:

- October 2013: The American Chamber of Commerce (AmCham) Myanmar Chapter was established.
- February 2014: Myanma Airways signed a \$960 million contract with GE Capital to lease 10 Boeing aircraft – the largest commercial sale by a U.S. company to Burma in decades.
- February 2014: APR Energy finalized a contract to supply natural gas-powered generating units and associated equipment, valued at \$30 million, to Burma's Ministry of Electric Power.

Corporate Social Responsibility

Many U.S. companies are actively engaging local communities through investments that aim to enhance broad-based development. For example:

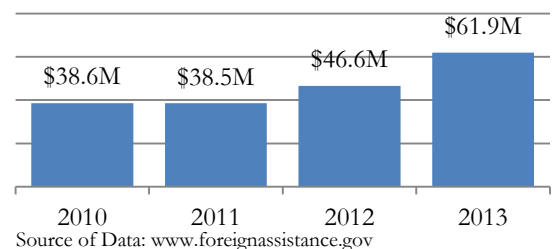
- Chevron's Sustainable Health Improvement and Empowerment (SHINE) program has directly improved the lives of nearly one million Burmese in almost 1,500 villages since 2003 through Village Health and Development Funds that provide villagers with grants and loans for improvements in business, health, agricultural practices and infrastructure.
- Cisco's Network Academies train students on critical information technology and networking skills to prepare them for careers in industries with growing demand.
- In February 2014 Proctor & Gamble, in partnership with USAID, announced \$2 million to provide clean drinking water, promote better hygiene behaviors, and build capacity to deliver imported health services.

Development and Technical Assistance

A significant portion of U.S. assistance has focused on economic governance issues to foster a positive business environment, increase private sector competitiveness, expand access to credit, and increase agricultural productivity and food security.

- The **USAID Mission in Burma** reopened in 2012 and is committed to supporting Burma in its effort to create a strong economic foundation by enabling robust private sector investment, thereby creating economic opportunities and improved livelihoods for Burma's people. For example, the Economic Reform and ASEAN Integration (ERA) project provides demand-driven technical assistance to the government to support economic governance reforms, particularly in trade and investment, in support of the ASEAN Economic Community, develop the capacity of small and medium enterprises, and grow the information and communication technology (ICT) sector. Through U.S.-Burma Higher Education Partnerships, USAID has invested \$4.5 million to build the capacity of Burmese institutions of higher education to address development challenges.
- The **U.S. Department of Commerce's Commercial Law Development Program** advised the Burmese government on the draft Foreign Investment Law and draft laws related to small and medium enterprises and telecommunications. The **U.S. Patent and Trademark Office** has offered technical comments on draft copyright and trademark legislation, and is offering additional assistance to increase the government's capacity to protect and enforce intellectual property rights.
- Through the **U.S. Department of State's** Energy Governance and Capacity Initiative, the U.S. is providing technical assistance in support of the implementation of international best practices in oil and gas management and oversight, financial accountability, and safety and environmental stewardship.
- The **U.S. Department of Treasury** delivered technical assistance on budget and financial accountability, revenue policy and administration, and countering economic crimes in 2013.
- The **U.S. Trade and Development Agency** organized a civil aviation reverse trade mission in February 2014 to expose Burmese government and business leaders to best practices and technologies in the U.S. aviation sector.

**U.S. Foreign Assistance to Burma
Levels by Fiscal Year**



For further information, visit www.burma.usembassy.gov/business.html or email BurmaBusiness@state.gov.

U.S. companies interested in doing business in Burma may refer to resources available at www.export.gov.

The U.S. Census Bureau publishes monthly trade statistics at <http://www.census.gov/foreign-trade/balance/c5460.html>.